

CITY OF OLYMPIA HEARING EXAMINER

SMITH LAKE COVE REZONE PROPOSAL STAFF REPORT

Summary

- Public Hearing:** 6:30 p.m., October 25, 2021, Zoom virtual meeting
- Project File:** 21-1729
- Applicant:** City of Olympia, Community Planning & Development
(Original application submitted by Blackbird Smith Lake, LLC)
- Representative:** Casey Schaufler, Assistant Planner
- Type of Action:** Initial request was to change zoning of approximately 49 acres at 4900 Normandy Road SE from Residential 4-8 (R 4-8) to Residential 4 (R-4), revised proposal expanded the area to approximately 178 acres and proposes to change the zoning to R4-CB.
- Project Location:** 4900 Normandy Road SE (south) to Herman Road/37th Ave (north)
- Future Land Use
Map Designation:** Low Density Neighborhood
- SEPA
Determination:** State Environmental Policy Act Determination of Non-Significance issued on October 1, 2021, with an appeal period expiring on October 22, 2021.
- Public
Notification:** Notice of this hearing was issued on October 1, 2021, mailed to property owners within 300 feet of the subject area, posted at the terminus of Normandy Drive and at the corner of Wiggins Road and Fuller Lane and published in *The Olympian* in conformance with Olympia Municipal Code 18.78.020
- Staff
Recommendation:** Approval; see details below.

Proposed Findings of Fact, Analysis and Conclusions

Summary of Proposal

City staff recommends to rezone to the unique Residential - 4 Chambers Basin District (R-4CB) zone that takes into consideration the challenge of the applicant to develop their subject parcels at density consistent with the Comprehensive Plan due to underlying hydrologic concerns specific to the Chambers Basin area. City staff also recommend the inclusion of ten additional parcels in the geographic area, adding an additional 68.8 acres for a total of 117.96 acres for consideration as rezone to R-4CB. Residential 4-8 Units per Acre (R 4-8) accommodates residential development at densities ranging from a minimum of four (4) units per acre to a maximum of eight (8) units per acre to allow sufficient residential density to facilitate effective mass transit service and to help maintain the character of established neighborhoods. The proposed R-4CB accommodates residential development in areas sensitive to stormwater runoff in a manner and at a density (up to four (4) units per acre) that reduces stormwater and high-water table related problems (e.g., flooding and degradation of environmentally Critical Areas).

Proposal History and Pre-Hearing Public Review

The proposed rezone site is located in the southeast corner of the City and was annexed in 2006 under Ordinance 6423. Use in the area is predominantly residential with recreational trails on the eastern border. The area is generally developed with single family homes on large parcels. Although within the City, the area appears more rural than urban in nature. Most notably, the area is encumbered by the Chambers Ditch, a fish bearing stream channel, highly modified over the last century to serve as agricultural drainage.

The chambers basin area has been an area of community concern and study for some time related to stormwater, drainage and environmental concerns. Adding to the complexity, the Chambers Basin area spreads across both the City of Olympia and into the City's urban growth area currently regulated by Thurston County.

In 2008, Olympia adopted a unique zoning district to address the constraints associated with development within the basin called the Residential 4 Chambers Basin. Its purpose is to allow for development in areas sensitive to stormwater at a lower density to avoid stormwater related problems (OMC 18.04.020.B) and applied this zoning to those areas known to be within the Chambers Basin within the City limits. In the same timeframe, the County implemented a development moratorium from 2008 through 2012 due to high groundwater and surface

flooding. In 2013, Thurston County considered but ultimately declined to adopt the R-4CB designation as it would have been a new zone for a small area. Instead, Thurston County rezoned the parcels in the Urban Growth Area to the immediate west of this proposal's subject parcels to the existing county zoning designation of Residential 1 Unit per 5 Acres Units per Acre (R 1/5) as it is comparable to the R4-CB zone with the understanding that the area would likely be reclassified once annexed by the City of Olympia." (Attachment 2)

On April 1, 2021, Blackbird Smith Lake, LLC submitted a request to change the zoning for three parcels totaling 49.16 acres from Residential 4-8 Units per Acre (R 4-8) to Residential - 4 Units per Acre (R-4). A notice of the application was issued on May 26, 2021 (Attachment 3). This notice was posted on the site, mailed to owners of property within 300 feet and to potentially interested agencies.

City staff hosted a virtual neighborhood meeting via Zoom on June 17, 2021, notification for which was sent to the same parties on May 26, 2021. Participating in the meeting were the applicants, City planning staff and members of the public. At the meeting, the applicant and staff described the proposal and review process and answered questions. The neighborhood meeting only considered rezone of the applicant's three parcels. Neighbors of the proposed rezone site and others participating in the meeting expressed concerns regarding impacts from increased traffic and environmental impacts of future development.

As provided by OMC 18.59.060, the Olympia Planning Commission may review and provide a recommendation on proposed site-specific rezones that are forwarded to the Hearing Examiner. Accordingly, this proposal was presented to the Commission on September 20, 2021. Although the Commission did not hold a public hearing or take public testimony, interested parties of record were provided with notice of this meeting. The Commission recommended that the Hearing Examiner proceed without recommendation from the Planning Commission.

The public were also notified of and given the opportunity to comment on the State Environmental Policy Act (SEPA) Determination of Non-Significance, which was issued on October 1, 2021, with an appeal deadline of October 22, 2021 (Attachment 4). At the point of Staff Report distribution, the SEPA Determination had not been appealed. This notice also included notice of the October 25, 2021, public hearing.

Comments have been submitted during review of this proposal (Attachment 5), specifically related to the Notice of Application and Notice of the SEPA Threshold determination. Staff received and responded to multiple calls from neighbors of the site and other citizens in the vicinity, including from adjacent jurisdictions, inquiring about the proposal. Based on the history

of high-water and flooding, as well as public concern over environmental impacts in the vicinity of Smith Lake. Comments in Attachment 5 reflect all comments through October 12, 2021. Any comments received, if any, after that date will be provided separately.

Staff reached out to the owners of additional parcel properties which are being included in the rezone proposal in order to discuss the rezone request via mailed letters (Attachment 6) and follow-up phone calls. To date, the owners expressed no objection to the rezone request either in written response or during telephone conversations.

Rezone Boundary, Site Description, and Surrounding Land Uses

This rezone proposal includes thirteen parcels in the furthest southeast extent of the City of Olympia. The parcels are bounded by the Chehalis trail and City of Lacey on the east, Thurston County Olympia Urban Growth Area on the southwest in the vicinity of Wiggins Road and parcels within the City of Olympia currently zoned R-4CB to the north along the Chambers Ditch up to Herman Road and 37th Avenue (Attachment 7). The parcels south of Fuller Lane SE were annexed in 2006 under Ordinance 6423. The parcels north of Fuller Lane were annexed by election in 1967. Use in the area is predominantly low density residential and agricultural with recreational trails on the eastern border.

Applicable Plans and Regulations

The City of Olympia's Comprehensive Plan was adopted in December 2014 with subsequent amendments. The Comprehensive Plan is guided by Washington State's 1990 Growth Management Act and County-Wide Planning Policies originally adopted in 1993. Discussion of this proposal's consistency with the Comprehensive Plan and associated Olympia Municipal Code is provided below.

The Transportation 2030 Southeast Plan (Attachment 8), adopted in 2017, calls for a north/south future neighborhood collector road continuing from Normandy Drive extending to the vicinity of Chambers Lake and intersecting with Wiggins Road. The plan also calls for an east/west future major collector road from Wiggins Road to 45th Ave in Lacey. This future road partially extends over what is Fuller Lane, an existing private road.

Appendix A: Transportation Planning History (attachment 9) includes the following text regarding the Chambers Basin Analysis:

“In 2006, groundwater and stormwater problems were evaluated in the area south and southwest of Chambers Lake, for future land use. The evaluation was prompted by concerns over whether adequate drainage could be provided in this valley, due to shallow groundwater and flat grades. At the land-use densities proposed, there was a strong likelihood of persistent flooding, property damage, and other environmental impacts.

The evaluation determined that the valley area could not be developed to the planned urban densities of 5 to 13 units per acre, due to high groundwater and flat topography. As a result, the City reduced allowed development density and applied new low-density street standards in the valley. The unique design standard for local access streets in this area is narrower than the conventional local access standard, with sidewalks on one side, rather than both sides.”

Comparison of Current and Proposed Land Uses

The current and proposed zoning districts (R-4-8 & R-4CB) are both considered Low Density Neighborhood land use categories under the City’s Comprehensive Plan and are intended to provide residential development ranging from twelve units per acre to one unit per five acres depending on environmental sensitivity of the area. These districts are defined in OMC 18.04.020 (B) (4) & 18.04.020 (B) (3) respectively, as follows:

- **Residential 4-8 Units per Acre (R 4-8).** To accommodate residential development at densities ranging from a minimum of four (4) units per acre to a maximum of eight (8) units per acre; to allow sufficient residential density to facilitate effective mass transit service; and to help maintain the character of established neighborhoods.
- **Residential - 4 Units per Acre (R-4 and R-4CB).** To accommodate residential development in areas sensitive to stormwater runoff in a manner and at a density (up to four (4) units per acre) that avoids stormwater related problems (e.g., flooding and degradation of environmentally Critical Areas).

The R-4CB district is further defined in OMC 18.04.080 (J) (5) as follows:

- **Residential - 4 Chambers Basin District.** Required open space for stormwater dispersion may be provided in a common area or within each individual private lot of a development. All required drainage dispersal areas shall be protected from filling and grading and all other activities which would decrease the ability of such areas to

disperse and infiltrate stormwater. Side yard setback areas shall be designed to disperse roof runoff to the maximum extent practical. To qualify as a "drainage dispersal tract" (required to create lots of less than one acre) such area shall be held in common or deeded to homeowners association and otherwise conform with the requirements of stormwater tracts as set forth in the Olympia Stormwater Drainage Manual.

Under current zoning, the minimum and maximum density allowed for the subject area is four (4) to eight (8) units per acre. Under the proposed zoning, the minimum density is eliminated while the maximum is reduced to four (4) units per acre. Further details on allowable uses and development standards for the current and proposed zoning districts, as well as the originally requested R-4 zoning district, is provided in Attachment 10.

Rezoning Criteria and Staff Analysis

Olympia Municipal Code 18.59.050 specifies the decision criteria for rezoning requests as follows:

A zoning map amendment shall only be approved if the Council concludes that at a minimum the proposal complies with subsections A through C. To be considered are whether:

- A. The rezoning is consistent with either the Comprehensive Plan including the Plan's Future Land Use map as described in OMC 18.59.055 or with a concurrently approved amendment to the plan.*
- B. The rezoning will maintain the public health, safety, or welfare.*
- C. The rezoning is consistent with other development regulations that implement the comprehensive plan.*
- D. The rezoning will result in a district that is compatible with adjoining zoning districts; this may include providing a transition zone between potentially incompatible designations.*
- E. Public facilities and services existing and planned for the area are adequate and likely to be available to serve potential development allowed by the proposed zone.*

The following discussion offers City staff's assessment of the proposal in response to these criteria.

Rezoning these parcels from R-4-8 to R-4CB appears to be consistent with the Comprehensive Plan's goal of providing a variety of housing choices based on the geographic characteristics of the area. "Low-Density Neighborhoods. This designation provides for low-density residential

development...ranging from twelve units per acre to one unit per five acres depending on environmental sensitivity of the area. Specific zoning and densities are to be based on the unique characteristics of each area with special attention to stormwater drainage and aquatic habitat.” Appendix A, Comprehensive Plan.

The proposed rezone appears to be consistent with the Comprehensive Plan’s goal of responding to the area’s history of high-water table and stormwater drainage challenges as described in policy PN1.1 states, “Administer development regulations which protect environmentally sensitive areas, drainage basins, and wellhead areas.” Any future development of the site would be consistent with surrounding development and would be subject to development regulations which regulate setbacks, height, landscaping, design and access to adequate utilities and streets.

The proposal meets the requirements of OMC 18.59.055 that zoning districts correspond to future land use map designations in the Comprehensive Plan. Attachment 11 illustrates the location of the proposed rezone falling within an area identified for Low Density Neighborhoods. Both the existing R-4-8 and proposed R-4CB zoning districts fall within the Low Density Neighborhood area. It further meets requirements by resulting in a district that is compatible with the adjoining City of Olympia Chambers Basin zoning districts to the north.

RECOMMENDED CONCLUSIONS

- A. The proposed rezone is consistent with the Comprehensive Plan’s goals and policies. Rezoning the site from R-4-8 to R-4CB would be consistent with the designation as Low Density Neighborhood on the Future Land Use Map.
- B. The rezone will maintain the public health, safety or welfare. Site specific review and improvements will be required and addressed as part of any future development.
- C. The rezone is consistent with other development regulations that implement the comprehensive plan. The proposed HDC-4 zone meets the code requirements for consistency between the Future Land Use Map and zoning map.
- D. The rezone will result in a district that is compatible with adjoining zoning districts. The proposed zoning is the same as that of the adjacent properties located north in the City of Olympia jurisdiction and a reduced density akin to that in the adjacent Urban Growth Area.

- E. Public facilities and services will be adequate and obtainable to serve potential development allowed by the proposed zoning.

STAFF RECOMMENDATION

The Hearing Examiner recommend approval of the requested zone change for parcels in the southeast Olympia jurisdiction of the Smith Lake area from R-4-8 to R-4CB.

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Date Issued: October 12, 2021

Attachments

Attachment 1: Staff Report (This document)

Attachment 2: Thurston County Planning Commission UGA Memorandum and Packet

Attachment 3: Smith Lake Rezone Application and Notice

Attachment 4: SEPA Checklist, DNS and Notice

Attachment 5: Written Public Comments

Attachment 6: Correspondence to Proposed Area Property Owners

Attachment 7: Zoning Map

Attachment 8: Transportation 2030 Southeast Plan Map

Attachment 9: Appendix A: Transportation Planning History

Attachment 10: Zone Comparisons

Attachment 11: Comprehensive Plan Future Land Use Map